

1.1 moves to amend H.F. No. 2429 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 16B.97, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 1a. **Grants management responsibilities.** As used in sections 16B.97 to 16B.991,
1.6 "grants management responsibilities" means the requirement for an employee to oversee or
1.7 participate in any part of the process of awarding, monitoring, or closing a grant subject to
1.8 a grant agreement as described in subdivision 1. Grants management responsibilities include:

1.9 (1) developing or issuing requests for proposal;

1.10 (2) providing technical review of funding proposals;

1.11 (3) providing support or assistance to applicants;

1.12 (4) assessing conflicts of interest;

1.13 (5) reviewing applications;

1.14 (6) performing a pre-award risk assessment;

1.15 (7) authorizing the distribution of money or other things of value;

1.16 (8) monitoring compliance with all regulatory and legal requirements;

1.17 (9) performing site inspections;

1.18 (10) making appropriate adjustments or disallowances;

1.19 (11) reviewing progress reports and evaluating grantee performance;

1.20 (12) performing a final review of completed awards;

1.21 (13) processing closeouts; and

2.1 (14) performing other duties required by, or described in, grants management policies
2.2 and procedures created by the commissioner.

2.3 Sec. 2. Minnesota Statutes 2024, section 16B.97, subdivision 4, is amended to read:

2.4 Subd. 4. **Duties.** (a) The commissioner shall:

2.5 (1) create general grants management policies and procedures that are applicable to all
2.6 executive agencies. The commissioner may approve exceptions to these policies and
2.7 procedures for particular grant programs. Exceptions shall expire or be renewed after five
2.8 years. Executive agencies shall retain management of individual grants programs;

2.9 (2) provide a central point of contact concerning statewide grants management policies
2.10 and procedures;

2.11 (3) certify state employees who have demonstrated sufficient knowledge and
2.12 understanding of grants management policies and procedures;

2.13 ~~(3)~~ (4) serve as a resource to executive agencies in such areas as training, evaluation,
2.14 collaboration, and best practices in grants management;

2.15 ~~(4)~~ (5) ensure grants management needs are considered in the development, upgrade,
2.16 and use of statewide administrative systems and leverage existing technology wherever
2.17 possible;

2.18 ~~(5)~~ (6) oversee and approve future professional and technical service contracts and other
2.19 information technology spending related to executive agency grants management systems
2.20 and activities;

2.21 ~~(6)~~ (7) provide a central point of contact for comments about executive agencies violating
2.22 statewide grants governance policies and about fraud and waste in grants processes;

2.23 ~~(7)~~ (8) forward received comments to the appropriate agency for further action, and may
2.24 follow up as necessary;

2.25 ~~(8)~~ (9) provide a single listing of all available executive agency competitive grant
2.26 opportunities and resulting grant recipients;

2.27 ~~(9)~~ (10) selectively review development and implementation of executive agency grants,
2.28 policies, and practices; ~~and~~

2.29 ~~(10)~~ (11) selectively review executive agency compliance with best practices; and

2.30 (12) maintain a list of grantees that have been:

2.31 (i) convicted of a crime involving the misuse of government funds;

3.1 (ii) suspended or debarred; or

3.2 (iii) reported to the commissioner for intentional, serious, or repeated failures to comply
3.3 with the terms of a grant agreement and amendments.

3.4 (b) The commissioner may determine that it is cost-effective for agencies to develop
3.5 and use shared grants management technology systems. This system would be governed
3.6 under section 16E.01, subdivision 3, paragraph (b).

3.7 (c) In developing a grants management training curriculum and establishing a certification
3.8 for state employees, the commissioner must include an exam component that requires
3.9 participants to demonstrate grants management skills, knowledge of grants management
3.10 policies and procedures, and an understanding of grants management responsibilities. The
3.11 commissioner must establish continuing education requirements for state employees which
3.12 must be completed every three years to renew grants management certification.

3.13 Sec. 3. Minnesota Statutes 2024, section 16B.98, is amended by adding a subdivision to
3.14 read:

3.15 Subd. 5a. **Grant management oversight; training and certification required.** (a) A
3.16 granting agency must only assign grants management responsibilities to an employee who
3.17 has participated in grants management training and received certification from the
3.18 commissioner that the employee demonstrated sufficient knowledge and understanding of
3.19 grants management policies and procedures.

3.20 (b) The commissioner may approve a temporary exception of up to 30 days to the
3.21 requirements in paragraph (a) if a granting agency does not have an employee who has
3.22 received certification from the commissioner. The commissioner must require that any
3.23 employee exercising grants management responsibilities under an exception complete
3.24 training and receive certification within the period of the temporary exception and may
3.25 impose additional reporting and oversight requirements.

3.26 Sec. 4. Minnesota Statutes 2024, section 16B.98, subdivision 6, is amended to read:

3.27 Subd. 6. **Grant administration.** (a) A granting agency shall diligently administer and
3.28 monitor any grant it has entered into. A granting agency must report to the commissioner
3.29 at any time at the commissioner's request on the status of any grant to which the agency is
3.30 a party.

3.31 (b) Before a granting agency authorizes final payment to a grantee receiving a grant of
3.32 at least \$50,000 but not more than \$250,000, the granting agency must conduct at least one

unannounced, in-person monitoring visit. For grantees receiving a grant of more than \$250,000, the granting agency must conduct at least one unannounced, in-person monitoring visit in each fiscal year that the grantee receives grant funds.

(c) A granting agency must document any instance in which a grantee fails to comply with the terms of a grant agreement and amendments, such as failing to provide timely progress reports, submit required documentation, respond to requests for additional documentation, or appear at announced or unannounced monitoring visits. If the granting agency determines that the failure was unintentional or was neither serious nor part of a pattern of similar conduct, the agency must notify the grantee of the failure and provide technical assistance to prevent repeated failures. If the granting agency determines that the failure was intentional or was either serious or part of a pattern of similar conduct, the agency must notify the commissioner and take other appropriate action consistent with the applicable grants management policies and procedures.

(d) If a granting agency finds or receives credible information that a grantee has committed fraud or otherwise engaged in an unlawful use of public funds, the agency must:

(1) report the information to the commissioner and the appropriate law enforcement agency;

(2) cooperate in any investigation and subsequent civil suit or criminal prosecution regarding the suspected fraud or unlawful use of public funds;

(3) notify the appropriate law enforcement agency that it intends to stop or withhold payments and may suspend or debar the grantee from eligibility to receive grants from the agency; and

(4) unless otherwise directed by the law enforcement agency as part of a criminal investigation, stop or withhold payment until there is a determination that the grantee did not commit fraud or otherwise engage in an unlawful use of public funds.

(e) If a granting agency determines by a preponderance of the evidence that a grantee engaged in an activity specified in Minnesota Rules, part 1230.1150, subpart 2, the agency must suspend or debar the grantee from eligibility to receive state-issued grants for up to three years. A grantee may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension or debarment is effective by filing a written request for hearing within 20 days of notification of suspension or debarment."

Amend the title accordingly